Location, location, location!

Cloud computing promises access to data and processing power from wherever you are. With a click you connect to data centers where servers and IT systems are concentrated; fiber-optic cables underground and signals overhead link up these places into global networks. The rush to develop data centers is both a competition for space, and a race for faster and faster connectivity. Online retail, social media, data portals, or internet trading— you can get there faster if you pay for network location.

Where is the cloud and how is it organized? How does it structure co-habitation via customization, connectivity, and security protocols?

We interrupt this tour...

Moving between the bubble and the cloud, we pause at the Federal Building, immigration enforcement, and the jail. How do finance and real estate organize ways of governing? How do they depend on, and reconfigure, enduring structures of racialized violence?

Map labels

- CME Group
- Citadel
- Federal Building
- CBOT
- CBOE
- MCC
- Data Center
- Development: Old Post Office
- USCIS
- Data Center
- Data Center
- Data Center
- Jungle #1
- High Rise
- Data Center
- Data Center
- Data Center
- Jungle #2
- High Rise
- Jungle #3

Street labels: Wacker Dr, Monroe St, Jackson Blvd, Congress Pkwy, Harrison St, Jefferson St, Clinton St, Canal St, Wells St, Clark St

Do derivatives hit the ground?

Around, beneath and above us, millions of derivatives contracts worth trillions of dollars are bought and sold faster than a fraction of a blink of an eye. Everything can be broken up, indexed and recombined as a financial asset, as odds on a wager: health, climate, debt, survival, uncertainty itself. But the plazas of the Chicago Board of Trade and the Chicago Board Options Exchange are spaces of tranquility and order. Here, we are brought into a specific kind of togetherness, recasting the speculative frenzy as equilibrium and risk management. We walk a few blocks south to the river, where a real estate megadevelopment corridor opens up new cycles of speculation, displacement, and expropriation. Here, financial derivatives take material form. Who and what is being put at risk? Development is not just about buildings: it is about the economic, political, and social arrangements that underwrite them.

Legend / glossary

Old Post Office: (Built 1921-32, closed 1997) Once the world's largest building, it is linked to the rise of mail order retail; auctioned in 2009 and resold in 2016, City Council incentivizes its redevelopment

Jungle, aka Emerald City (#1, #2, #3): Between Harrison and Chinatown on the east bank of the river (see map); Related Midwest is also the master developer for the heavily subsidized dismantling of Lathrop Homes

High Rise: New development boom; see map for new high rises touted for 2015/16

Data Centers: Specialized infrastructure for servers and IT systems; grouped by information markets

Chicago Board of Trade (CBOT): The world's oldest commodities exchange, CBOT was established to "advance the prosperity of the mercantile and commercial community"

Chicago Mercantile Exchange (CME) Group: The former CME went on a buying spree and purchased the CBOT, NY Mercantile Exchange, the Dow Jones Indexes, and Kansas City Board of Trade; CME dominates global derivatives trading; owns/runs Globex trading platform

Chicago Board Options Exchange (CBOE): The first exchange of its kind; influenced the growth of options and electronic trading; owns OneChicago trading platform with CME Group

Citadel and **Alston Trading:** Hi-speed algorithmic trading

United States Citizenship and Immigration Services (USCIS): Immigration processing and short-term lock-up

Metropolitan Correctional Center (MCC): Federal jail

Federal Building: Houses the Department of Labor, Department of State, Drug Enforcement Administration, etc.

EXPERIENCE THE CULTURE!
Day-tripping the Petrocapital

This map, created by Rozalinda Borcilă, Becky Nasadowski, and Javier, accompanies a walk of downtown Chicago. It is part of a series of field trips that probe the connections between fossil fuels, financial markets and the ways notions of community and citizenship are deployed.

Living in the Cloud

appears as informational and spatial competition, extraction, centralization, and (dis)possession.

The geography of the cloud has a material history shaped by previously existing pathways and infrastructures. It is path-dependent, evolving in relation to established rights of way, the internet backbone, concentrated densities of economic power, and capital flows. But the cloud also shapes space, pathways, relations. The race for informational advantage creates new public-private spheres, shifts regulatory climates, and tunes modes of governance to the imperatives of connectivity and security protocols.

Today we walk through the cloud to look for specific places, connections and relations. We look for the missing bodies, for where the cloud hits the ground and reshapes it. Data centers are linked via fiber-optic cables and lasers, but also policies, protocols, and contracts. The phenomenon of colocation means that multiple firms compete to be located in data centers customized to specific markets and linked in global networks shaped by a handful of developers. The cloud

The cloud is made of time differentials: the time it takes to upload, to download, to share. to access, to execute, to connect. This time gap is a latency, a problem of speed, a measure of profitability in terms of network distance. Does this network have centers and peripheries? How is it organized? How are client collectivities elicited, routed, mined, incentivized? How does the cloud aggregate, and to what effects?

PICTURE THIS: *an entire world of data and processing power at your fingertip, wherever you are. This is the promise of cloud computing, "You" as in the client: untethered, unencumbered, mobile, flexible, creative. Liberated. There is no body, only the touch: are you linkable, plug-in ready? Autonomy is connectivity, the ad reminds us, both customizable and contractual. In the next image we see the cloud as a sharing platform, an architecture of interaction and collectivity. Client as in aggregate of connections, cloud as in aggregate of protocols. Welcome to the community! No bodies, no friction, no flesh, no matter.*

Underlying

The CME Group's middle school curriculum sets up the story of the derivatives market. *Farmer Smith enters into a contract to sell 200 of his cattle [underlying asset] at a future date, for a price that he can "lock in" today. Farmer Smith gets some cash upfront [liquidity], which he needs to stay afloat [pay his creditors and costs, let's say]; he also protects himself [hedging] against the risk of losing money if prices for cattle should drop too much. The counterparty [speculator] stands to profit if the price goes up in the future. Both parties are making a bet. This is called managing risk, or transferring risk from those who cannot bear it to those who can. In a world of uncertainty, it is speculation that creates both liquidity and stability—and this passes value on to you, the consumer [narrator takes a bite out of a piece of steak].*

But the speculator has no interest in taking delivery on 200 cows; he does not trade in cows, he trades in price risk. The contract is a wager that will be bought and sold many times over—and there are side bets on top of the initial one: *I bet you 10 to 1 Farmer Smith's future contract will be worth x amount less.* You can bet on the price of beef falling, and pay a broker to write up an option (like an insurance) on the price of beef going up. You can bet on the performance of future contracts you don't own, or on thousands of slices of debt repayments bundled together in tranches according to default risk level. You can trade in weather volatility and you can bet on the survival of others. Bets on rent payments, water bills, health insurance contract payments, all are the basis for globally traded asset backed securities (ABS), which are technically bonds, but there is a derivative logic here: what is traded is exposure to health care financing risk, not the provision of health care.

But every false story contains the possibility of its own undoing. The story of the farmer is haunted by the problems of labor and survival, and the delusion of money making money from money without the need for labour is troubled by the ways production and finance are integrated across global markets (remember the farmer's credit obligations, or his operating costs?). How does financial speculation adjust production, the price of reproductive life, and the price of labour in the pursuit of competitive returns? Where/what are the systemic shock absorbers—who is unable to transfer risk?

As CME Group + Discovery kids launched their school curriculum, Goldman Sachs introduced Social Investment Bonds (SBB): a financial instrument through which private capital invests in government entities to finance programs addressing "pressing social challenges." The rate of return is risk-adjusted: it depends on achieving certain public policy benchmarks—thus trading in risk exposure to the performance of the state, without taking direct ownership of the underlying asset. In Chicago, SBBs on CPS programs are issued by financial institutions whose board members also sit on the Commercial Club's Education Committee, directly shaping CPS policy and assessment benchmarks. The rates of return on the preschool program SBB is up to 50%, or $9,100 compounded at an annual rate of 1 percent for each child.

What are the conditions for the expansion of derivative logic across all areas of social life? Power resides in ownership of assets, but also in the capacity to organize transactions and informational advantage—as well as the meanings of social value, public life, and the functions of the state.

BLOWING BUBBLES

A high rise development boom in the South Loop is targeting three plots of land on the east bank of the Chicago River, collectively known to squatters as La Jungla or Emerald City. Originally created as real estate in a business deal that brokered the relocation of the river, these 80 acres have remained undeveloped for decades. Tent cities have long self-organized and survived here, until recently. The last remaining tent city community is in danger of eviction; Related Midwest, who also spearheaded the heavily subsidized destruction of Lathrop Homes, has partnered with General Mediterranean Holdings on a multi billion dollar redevelopment project for this site.

Cities subsidize the real estate market in many ways: land giveaways, zoning policies, pro-development planning commissions, public funding. While the official narrative is demand, cycles of overbuilding are spurred by excess financial liquidity and favorable regulatory climates. Flush from trading in "innovative" financial instruments, financiers partner with development firms seeking large-scale fixed assets.

With Daley the Father, the city's financial elites enacted an urban renewal program that consolidated the central business district and successfully ghettoized the Black population. Daley the Son dismantled public housing and opened up the market for "mixed income" privatized development. The speculation on land and survival is deepening during the tenure of investment banker Rahm Emanuel, as private capital is increasingly connecting with "social programs," and the space of daily life—rent, water bills, debt, health care—is reconfigured as an asset base for speculative trading.

HIGH-RISE DEVELOPMENTS
TOUTED FOR PERMITS FOR 2015-16

Roosevelt Rd
I-90
Chicago River
Cermak Rd

Cultural and aesthetic practices are critical in the staging of urban redevelopment, in framing the problems, and in shaping the public imagination around solutions. In 2015, the Architecture Biennial hosted an exhibition and public debate about redeveloping La Jungla, framed as "a hole in the social fabric of the city." None of the proposals acknowledged the site as already inhabited or addressed the economic calculations, partnerships, and instruments that assemble it as a real estate asset. The enclosure of La Jungla was accompanied by a symbolic emptying; its development can then be framed as an investment in "building community" and "civic infrastructure," not as a contested field of makings and unmakings that manifest and reproduce uneven power relations.